AC825-2

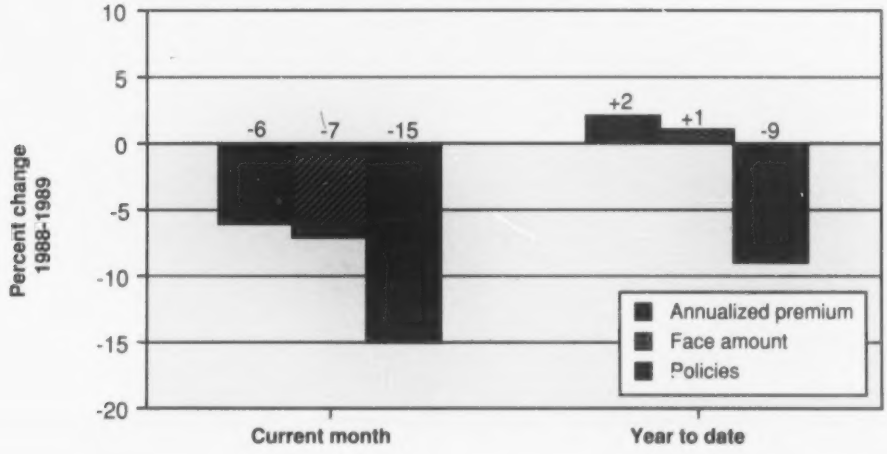
I/R Code 47.40

***September 1989***

# MONTHLY SURVEY OF LIFE INSURANCE SALES IN CANADA

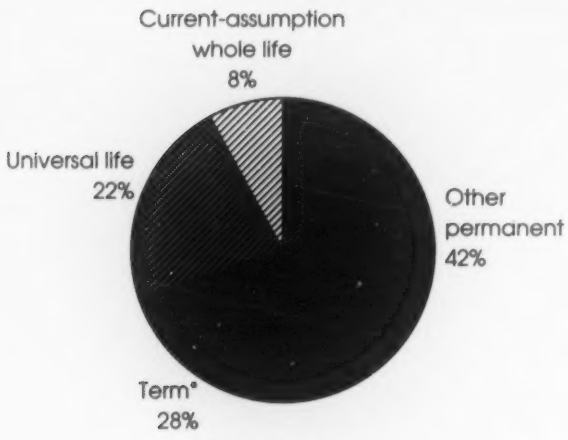
## Individual Sales

### 37 Companies

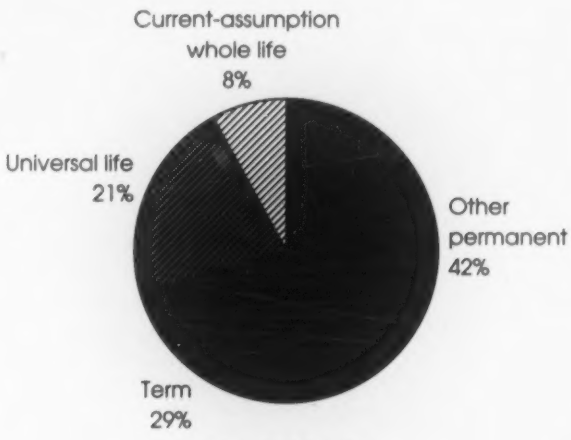



## Annualized Premium Market Share by Product

### 26 Companies Representing 80 Percent of September Sales




Current Month




Prior 12 Months
(September 1988 - August 1989)

*For the 17 companies that sell the product and supply data, "permanent term" ("term to 100") makes up 17 percent of total September 1989 sales.

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# Sales Comparisons with Last Year

Ratio 1989/1988

| | | Annualized premiums | Face amount | Number of policies |
|---|---|---|---|---|
| **Term** (24 cos.) | Month | 101% | 96% | 95% |
| | Year to date | 111% | 108% | 104% |
| **Universal life** (20 cos.) | Month | 105% | 102% | 93% |
| | Year to date | 111% | 108% | 101% |
| **Current-assumption whole life** (12 cos.) | Month | 87% | 70% | 73% |
| | Year to date | 92% | 75% | 78% |
| **All other permanent** (21 cos.) | Month | 83% | 79% | 78% |
| | Year to date | 88% | 81% | 79% |

# Policy Characteristics by Product

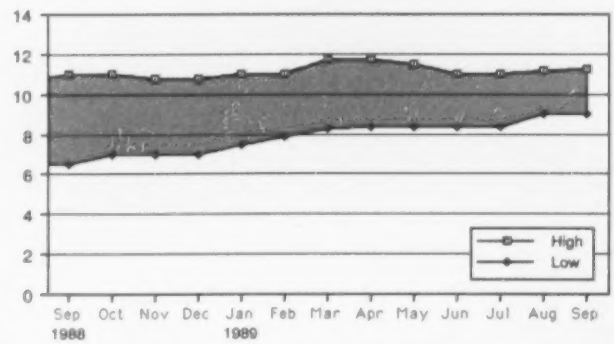
| | | Premium per $1,000 | Average size policy | Premium per policy |
|---|---|---|---|---|
| **Term** (24 cos.) | Month | $ 3.88 | $ 150,227 | $ 583 |
| | Year to date | $ 3.68 | $ 153,264 | $ 564 |
| | Year-to-date ratio | 103% | 103% | 107% |
| **Universal life** (20 cos.) | Month | $ 9.11 | $ 95,347 | $ 868 |
| | Year to date | $ 9.21 | $ 95,050 | $ 876 |
| | Year-to-date ratio | 102% | 108% | 110% |
| **Current-assumption whole life** (12 cos.) | Month | $ 7.87 | $ 38,808 | $ 306 |
| | Year to date | $ 8.20 | $ 40,172 | $ 329 |
| | Year-to-date ratio | 123% | 96% | 118% |
| **All other permanent** (21 cos.) | Month | $ 11.09 | $ 50,420 | $ 559 |
| | Year to date | $ 11.25 | $ 51,529 | $ 579 |
| | Year-to-date ratio | 109% | 102% | 111% |

# Universal Life

## Interest Rates This Month

| | |
|---|---|
| Median | 10.0% |
| Range | 9.0% - 11.2% |
| Range of middle 50% | 9.5% - 10.2% |
| Number of companies reporting | 16 |
| Number of plans reported | 37 |
| Number of new plans | 0 |
| Number of plans dropped | 0 |
| Number of plans showing. . . | |
| No change | 27 |
| Increases | 9 |
| Average increase | 0.3% |
| Decreases | 1 |
| Average decrease | 0.2% |

## 13-Month Interest Rate Range



# Contributors' Growth Rates

Change in Annualized Premium

Year to Date

| Percent change 1988 - 1989 | Number of companies... Group I | Group II | Group III | All |
|---|---|---|---|---|
| 21% or over | 0 | 1 | 2 | 3 |
| 11% – 20% | 3 | 2 | 1 | 6 |
| 1% – 10% | 4 | 3 | 4 | 11 |
| -9% – 0 | 3 | 4 | 3 | 10 |
| -19% – -10% | 0 | 1 | 2 | 3 |
| -20% or under | 0 | 3 | 1 | 4 |

# Total Sales

Revised Through Current Month

| | Annualized premium (000) | | | Face amount (000) | | | Number of policies | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1988 | 1989 | Ratio 89/88 | 1988 | 1989 | Ratio 89/88 | 1988 | 1989 | Ratio 89/88 |
| January | $ 35,941 | $ 35,414 | 99% | $ 5,288,957 | $ 5,234,135 | 99% | 64,864 | 59,910 | 92% |
| February | 44,324 | 43,494 | 98 | 6,476,266 | 6,654,759 | 103 | 84,384 | 75,782 | 90 |
| March | 49,816 | 48,133 | 97 | 7,354,328 | 7,004,115 | 95 | 93,311 | 80,974 | 87 |
| April | 43,084 | 46,092 | 107 | 6,467,890 | 6,798,811 | 105 | 82,193 | 79,229 | 96 |
| May | 45,740 | 49,901 | 109 | 6,981,893 | 7,431,548 | 106 | 88,788 | 85,168 | 96 |
| June | 51,352 | 53,748 | 105 | 7,657,396 | 7,813,946 | 102 | 92,670 | 85,836 | 93 |
| July | 42,647 | 43,429 | 102 | 6,162,113 | 6,326,917 | 103 | 72,537 | 68,235 | 94 |
| August | 38,775 | 40,946 | 106 | 5,722,121 | 5,910,499 | 103 | 68,299 | 62,792 | 92 |
| September | 47,088 | 44,061 | 94 | 6,888,591 | 6,403,514 | 93 | 88,661 | 75,061 | 85 |
| October | 47,926 | | | 7,081,362 | | | 88,918 | | |
| November | 52,589 | | | 7,746,743 | | | 93,214 | | |
| December | 55,298 | | | 8,036,262 | | | 86,332 | | |
| Year total | $554,580 | | | $81,863,922 | | | 1,004,171 | | |
| Year to date | $398,767 | $405,218 | 102% | $58,999,555 | $59,578,244 | 101% | 735,707 | 672,987 | 91% |

| | Premium per $1,000 | | | Average size policy | | | Premium per policy | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1988 | 1989 | Ratio 89/88 | 1988 | 1989 | Ratio 89/88 | 1988 | 1989 | Ratio 89/88 |
| January | $ 6.80 | $ 6.77 | 100% | $ 81,539 | $ 87,367 | 107% | $ 554 | $ 591 | 107% |
| February | 6.84 | 6.54 | 96 | 76,748 | 87,815 | 114 | 525 | 574 | 109 |
| March | 6.77 | 6.87 | 101 | 78,815 | 86,498 | 110 | 534 | 594 | 111 |
| April | 6.66 | 6.78 | 102 | 78,691 | 85,812 | 109 | 524 | 582 | 111 |
| May | 6.55 | 6.71 | 102 | 78,636 | 87,258 | 111 | 515 | 586 | 114 |
| June | 6.71 | 6.88 | 103 | 82,631 | 91,033 | 110 | 554 | 626 | 113 |
| July | 6.92 | 6.86 | 99 | 84,951 | 92,722 | 109 | 588 | 636 | 108 |
| August | 6.78 | 6.93 | 102 | 83,780 | 94,128 | 112 | 568 | 652 | 115 |
| September | 6.84 | 6.88 | 101 | 77,696 | 85,311 | 110 | 531 | 587 | 111 |
| October | 6.77 | | | 79,639 | | | 539 | | |
| November | 6.79 | | | 83,107 | | | 564 | | |
| December | 6.88 | | | 93,086 | | | 641 | | |
| Year total | $ 6.77 | | | $ 81,524 | | | $ 552 | | |
| Year to date | $ 6.76 | $ 6.80 | 101% | $ 80,194 | $ 88,528 | 110% | $ 542 | $ 602 | 111% |

# September Sales by Size Group

| | | Annualized premium (000) | | Face amount (000) | | Number of policies | |
|---|---|---|---|---|---|---|---|
| | | 1988 | 1989 | 1988 | 1989 | 1988 | 1989 |
| **Group I** | Month | $ 28,638 | $ 27,799 | $ 3,872,545 | $ 3,832,772 | 57,316 | 50,144 |
| | Year to date | $230,946 | $240,835 | $30,949,848 | $32,724,717 | 440,267 | 409,487 |
| **Group II** | Month | $ 13,796 | $ 11,890 | $ 2,177,435 | $ 1,838,546 | 22,846 | 17,188 |
| | Year to date | $127,391 | $122,945 | $20,763,146 | $19,823,425 | 216,757 | 192,676 |
| **Group III** | Month | $ 4,654 | $ 4,372 | $ 838,611 | $ 732,196 | 8,499 | 7,729 |
| | Year to date | $ 40,430 | $ 41,438 | $ 7,286,561 | $ 7,030,102 | 78,683 | 70,824 |

# About the Survey

This survey gives ordinary sales results of a group of companies that report three measures of sales performance — annualized premiums, face amount (volume), and number of policies. From these data, premium per $1,000, average size policy, and premium per policy, as well as trends in those statistics, are derived. Sales results by product are also shown for a subset of the contributing companies.

The definition of new sales excludes revivals, indexed increases, dividend additions, reinsurance acquired, credit insurance (coverage of obligations not exceeding 120 months' duration), and products without insurance (such as annuities and Canadian pension bonds). The data include mass-marketed ordinary business.

The results are based on the experience of 37 companies plus four subsidiary companies operating in Canada. The contributors represent 81 percent of the 1987 Canadian ordinary volume sold and 84 percent of first-year premiums written. The business of these contributors may not represent the industry proportions of participating and nonparticipating policies and of term and permanent insurance sold; therefore, statistics (such as premium per $1,000) derived from the experience of the contributors may not represent the experience of the industry as a whole.

Company corrections are incorporated on a monthly basis to provide contributors with the most up-to-date information.

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Raymond H. Hinchcliffe
Diane M. Couture
—Market Research

**Life Insurance Marketing and Research Association, Inc.**
P.O. Box 208, Hartford, Connecticut 06141

# Contributors

**Group I**
Canada Life
Great-West Life†
Industrial-Alliance Life†
London Life†
Manufacturers Life†
Metropolitan Life†
(includes Metropolitan Life of Canada)
Mutual Life of Canada†
North American Life (Canada)
Prudential of America†
Sun Life of Canada†

**Group II**
Ætna Life of Canada†
Commercial Union Life of Canada
Confederation Life
Co-operators Life
Crown Life†
Imperial Life of Canada
La Laurentienne†
Maritime Life (Canada)†
National Life of Canada
New York Life†
(includes New York Life of Canada)
Prudential of England
(includes Prudential Life of England)
Seaboard Life†
Transamerica Occidental Life†
(includes Transamerica Life of Canada)
Zurich Life of Canada†

**Group III**
Allstate Life of Canada†
Assumption Mutual Life
Assurance-Vie Desjardins
COLONIA Life†
Equitable Life of Canada†
Financial Life of Canada†
Knights of Columbus†
Laurier Life†
Royal Life (Canada)†
La Sauvegarde†
La Solidarite
State Farm Life†
L'Union-Vie†

The groupings of companies and departments are maintained for five-year periods to allow examination of trends; currently they are based on the sum of first-year and renewal direct-written ordinary life premium income as of December 31, 1986.

† Company is included in product market share chart

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*September 1989*

# QUARTERLY SURVEY OF INDIVIDUAL ANNUITIES IN CANADA

## Third Quarter Sales

### Accumulation Annuities

| Number of new contracts (17 cos.) | RRSPs (Registered Retirement Savings Plans) 1988 | 1989 | 89/88 | Nonregistered 1988 | 1989 | 89/88 |
|---|---|---|---|---|---|---|
| 1st quarter | 78,716 | 80,074 | 102% | 8,565 | 9,625 | 112% |
| 2nd quarter | 24,841 | 40,092 | 161 | 6,600 | 7,913 | 120 |
| 3rd quarter | 17,017 | 32,037 | 188 | 6,261 | 7,023 | 112 |
| 4th quarter | 24,782 | | | 9,846 | | |
| Year to date | 120,574 | 152,203 | 126% | 21,426 | 24,561 | 115% |
| Premiums* (18 cos.) | | | | | | |
| 1st quarter | $ 784,405,820 | $ 970,244,640 | 124% | $202,474,749 | $194,728,873 | 96% |
| 2nd quarter | 354,081,168 | 556,094,779 | 157 | 148,256,379 | 216,751,164 | 146 |
| 3rd quarter | 277,604,147 | 369,392,813 | 133 | 154,394,195 | 179,738,027 | 116 |
| 4th quarter | 360,852,543 | | | 248,259,210 | | |
| Year to date | $1,416,091,135 | $1,895,732,232 | 134% | $505,125,323 | $591,218,064 | 117% |
| Number of payments* (9 cos.) | | | | | | |
| 1st quarter | 141,601 | 162,465 | 115% | 13,401 | 17,163 | 128% |
| 2nd quarter | 94,035 | 126,856 | 135 | 11,936 | 16,516 | 138 |
| 3rd quarter | 86,884 | 120,801 | 139 | 11,822 | 15,753 | 133 |
| 4th quarter | 93,007 | | | 13,413 | | |
| Year to date | 322,520 | 410,122 | 127% | 37,159 | 49,432 | 133% |

*New and existing contracts

### Payout Annuities — Life

| Number of new contracts (18 cos.) | RRSP Income 1988 | 1989 | 89/88 | Nonregistered 1988 | 1989 | 89/88 |
|---|---|---|---|---|---|---|
| 1st quarter | 4,059 | 3,304 | 81% | 1,052 | 752 | 71% |
| 2nd quarter | 3,113 | 3,464 | 111 | 807 | 840 | 104 |
| 3rd quarter | 2,308 | 2,077 | 90 | 744 | 699 | 94 |
| 4th quarter | 3,212 | | | 1,010 | | |
| Year to date | 9,480 | 8,845 | 93% | 2,603 | 2,291 | 88% |
| Premiums (18 cos.) | | | | | | |
| 1st quarter | $123,322,517 | $105,938,962 | 86% | $ 51,436,608 | $33,147,463 | 64% |
| 2nd quarter | 99,935,662 | 135,805,490 | 136 | 31,259,213 | 35,085,540 | 112 |
| 3rd quarter | 85,416,626 | 83,038,993 | 97 | 30,927,133 | 31,531,565 | 102 |
| 4th quarter | 122,002,730 | | | 39,304,357 | | |
| Year to date | $308,674,805 | $324,783,445 | 105% | $113,622,954 | $99,764,568 | 88% |

| | RRSP Income by Source | | | | | |
|---|---|---|---|---|---|---|
| | Internal transfers | | | External money | | |
| Premiums (12 cos.) | 1988 | 1989 | 89/88 | 1988 | 1989 | 89/88 |
| 1st quarter | $22,189,134 | $18,706,875 | 84% | $ 56,170,638 | $ 55,813,748 | 99% |
| 2nd quarter | 17,583,176 | 28,291,345 | 161 | 44,107,564 | 45,424,845 | 103 |
| 3rd quarter | 11,689,366 | 16,138,189 | 138 | 39,843,097 | 27,442,426 | 69 |
| 4th quarter | 20,184,389 | | | 62,301,866 | | |
| Year to date | $51,461,676 | $63,136,409 | 123% | $140,121,299 | $128,681,019 | 92% |

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# Payout Annuities — Certain

| Number of new contracts (15 cos.) | RRSP Income 1988 | RRSP Income 1989 | RRSP Income 89/88 | Nonregistered 1988 | Nonregistered 1989 | Nonregistered 89/88 |
|---|---|---|---|---|---|---|
| 1st quarter | 129 | 108 | 84% | 783 | 424 | 54% |
| 2nd quarter | 95 | 79 | 83 | 573 | 534 | 93 |
| 3rd quarter | 63 | 63 | 100 | 401 | 471 | 117 |
| 4th quarter | 77 | | | 503 | | |
| Year to date | 287 | 250 | 87% | 1,757 | 1,429 | 81% |
| Premiums (15 cos.) | | | | | | |
| 1st quarter | $4,228,405 | $4,145,639 | 98% | $35,711,893 | $21,792,687 | 61% |
| 2nd quarter | 2,675,124 | 3,122,221 | 117 | 28,324,040 | 25,858,114 | 91 |
| 3rd quarter | 2,942,252 | 1,790,635 | 61 | 24,052,254 | 22,636,777 | 94 |
| 4th quarter | 2,962,951 | | | 24,450,826 | | |
| Year to date | $9,845,781 | $9,058,495 | 92% | $88,088,187 | $70,287,578 | 80% |

| | RRSP Income by Source | | | | | |
|---|---|---|---|---|---|---|
| | Internal transfers | | | External money | | |
| Premiums (11 cos.) | 1988 | 1989 | 89/88 | 1988 | 1989 | 89/88 |
| 1st quarter | $ 523,652 | $ 487,606 | 93% | $2,937,140 | $2,583,046 | 88% |
| 2nd quarter | 722,655 | 599,141 | 83 | 1,659,632 | 1,948,872 | 117 |
| 3rd quarter | 716,558 | 599,102 | 84 | 1,441,556 | 891,688 | 62 |
| 4th quarter | 484,085 | | | 2,179,222 | | |
| Year to date | $1,962,865 | $1,685,849 | 86% | $6,038,328 | $5,423,606 | 90% |

# Registered Retirement Income Funds

| | New contracts (14 companies) 1988 | New contracts (14 companies) 1989 | New contracts (14 companies) 89/88 | Premiums (15 companies) 1988 | Premiums (15 companies) 1989 | Premiums (15 companies) 89/88 |
|---|---|---|---|---|---|---|
| 1st quarter | 2,557 | 3,907 | 153% | $ 126,080,802 | $199,411,827 | 158% |
| 2nd quarter | 2,185 | 4,057 | 186 | 101,382,419 | 210,613,728 | 208 |
| 3rd quarter | 2,106 | 2,520 | 120 | 106,991,200 | 151,560,401 | 142 |
| 4th quarter | 3,802 | | | 207,750,809 | | |
| Year to date | 6,848 | 10,484 | 153% | $334,454,421 | $561,585,956 | 168% |

# Contributors

Canada Life
Confederation Life
Crown Life
Great-West Life
Imperial Life of Canada
Industrielle-Alliance Vie
La Laurentienne
London Life
Manufacturers Life
Maritime Life
Metropolitan Life
Mutual Life of Canada
National Life of Canada
New York Life
North American Life (Canada)
Prudential Life of England
Prudential of America
Standard Life (Canada)
State Farm Life
Sun Life of Canada
Transamerica Occidental Life
Zurich Life of Canada

# About the Survey

This survey shows the Canadian annuity sales activity of 22 companies. Data listed for previous quarters have been revised to incorporate revisions in company data and to include previously unavailable data.

The data are separated into accumulation and payout annuities. The accumulation section shows the number of payments and premiums on new and existing contracts for RRSP and nonregistered annuities, as well as the number of new contracts. The payout section is divided into life and certain only annuities and registered retirement income funds (RRIFs). New contracts and premiums paid are shown for RRSP income and nonregistered contracts, as well as for RRIFs. The split between internal transfers and external money is shown for companies that are able to provide the source of RRSP income premiums.

Some contributors are unable to provide data for all categories; therefore, each category lists the number of contributors able to provide data.

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